



U.S. Department of Justice
United States Attorney
Western District of New York

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PRESS RELEASE

July 26, 2005

RE: UNITED STATES v. PATRICIA RAHR

Acting United States Attorney Kathleen Mehlretter announced that Patricia Rahr, 59, of Portville, New York, was sentenced today by U.S. District Judge William M. Skretny to a 30-month prison term and court-ordered restitution of \$1.08 million. Judge Skretny also ordered that Ms. Rahr forfeit real and personal property in accordance with a plea agreement she signed before entering her guilty plea on April 6.

Assistant United States Attorney Paul J. Campana said that, following an investigation by the FBI and IRS, Ms. Rahr pled guilty before Judge Skretny on April 6, 2005, to filing false U.S. Income Tax returns for the five tax years from 1999 through 2003. Campana said that Ms. Rahr admitted that, while employed as a payroll supervisor by Dresser Rand in Olean, New York, she used her position to make computer transfers of Dresser Rand funds from the company to a personal bank account she controlled.

The prosecutor said Ms. Rahr failed to report more than \$998,000 of stolen money on her federal income tax returns through 2003, and then stole an additional \$30,000 in 2004. Campana said Ms. Rahr was terminated from Dresser Rand in mid 2004 after the company conducted an internal investigation. Her yearly thefts ranged from about \$68,000 to a high of about \$128,000 in 2003. According to the plea agreement, the unpaid income tax was more than \$279,000.

Assistant U.S. Attorney Richard D. Kaufman, who heads the U.S. Attorney's Office's Asset Forfeiture Unit, said the court-ordered forfeiture of real and personal property (including homes in Portville and Machias, New York, as well as motor vehicles) will amount to approximately \$160,000.00. Mr. Kaufman said he expects Dresser Rand to receive the entire amount of the forfeiture proceeds as an offset to the amount of restitution owed to Dresser Rand. In ordering restitution, Judge Skretny set the figure at \$1,083,509, an amount that included about \$41,000 in accounting and legal fees incurred by Dresser Rand as a result of the thefts.

Judge Skretny remarked several times during today's proceedings that this case, which involved such large thefts from an employer by a trusted employee, was "exceptionally serious." The judge said Ms. Rahr's thefts were motivated by greed, and disagreed with the defendant's view that her motive was to help others, including family members, with necessary expenses. Judge Skretny emphasized that Ms. Rahr's thefts violated the trust placed in her by Dresser Rand -- he noted that her yearly salary was

more than \$60,000 -- and harmed her fellow employees as well. The defense acknowledged responsibility for Ms. Rahr's thefts, apologized to Dresser Rand, and thanked the Federal case agents for their professionalism in the investigation.

The conviction resulted from an investigation by the Federal Bureau of Investigation under the Direction of Special Agent In Charge Peter Ahearn, and the Internal Revenue Service Criminal Investigation Division, under the direction of Special Agent In-Charge Anne Marie Coons.

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